

# Building Renewables on Common Ground

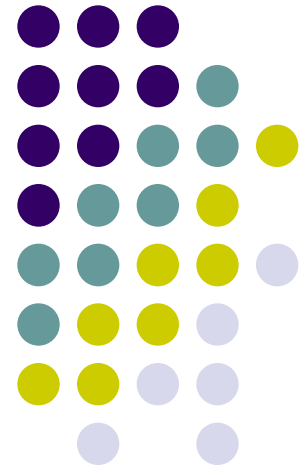
## Windiana 2011



*A unit of American Electric Power*

Marc E. Lewis  
Vice President  
July 20, 2011

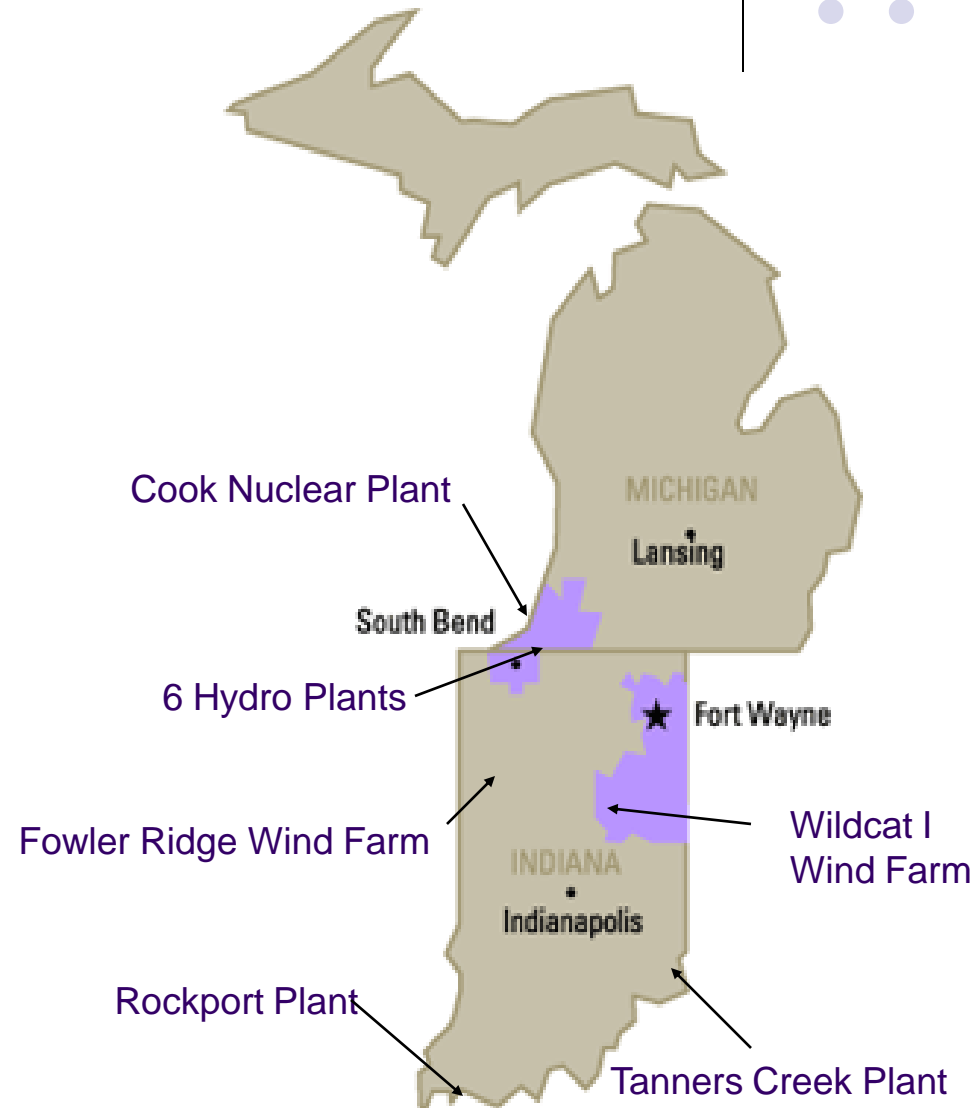
[melewis@aep.com](mailto:melewis@aep.com)



# Indiana Michigan Power



- 2,758 employees
- 583,000 customers
- 3973 miles transmission lines
- 19,990 miles distribution lines
- Mix of low-cost generation:
  - Coal
  - Nuclear
  - Hydro
  - Wind

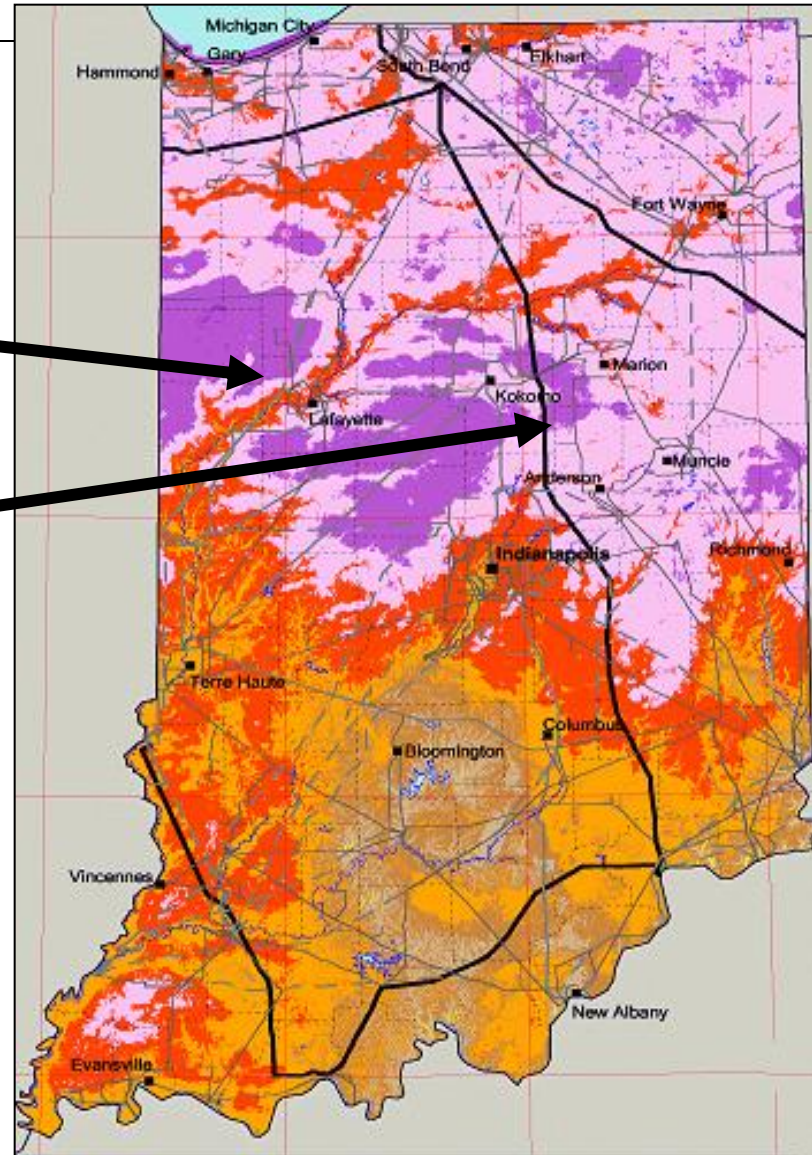
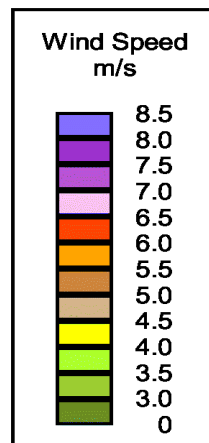


# I&M Wind Power Purchase Agreements



Fowler Ridge Wind Farm

Wildcat I Wind Farm



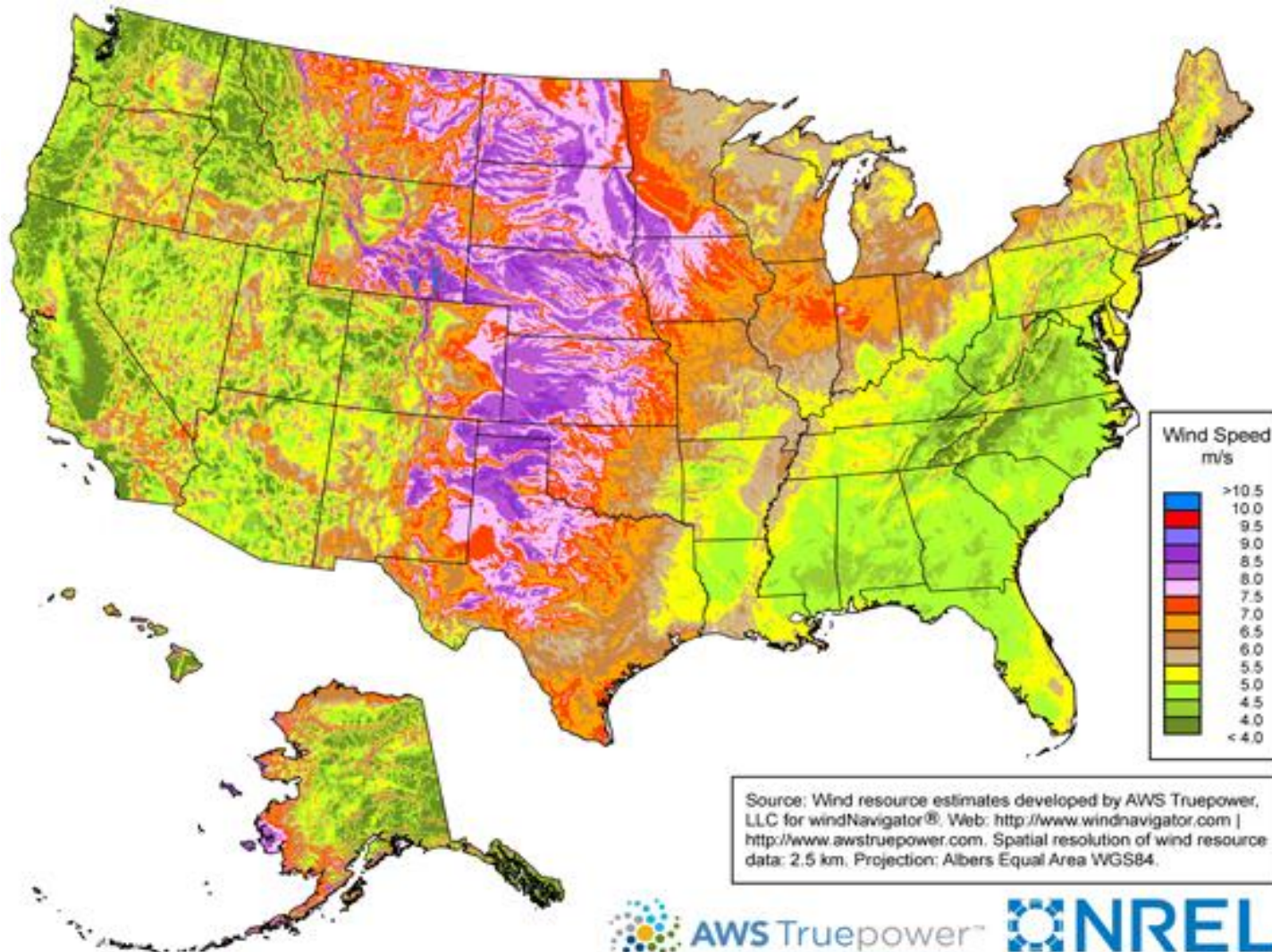
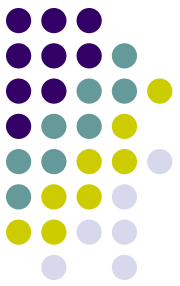
# Three Questions to Ponder

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- Should states manage the development of renewables within their borders or should this be a national policy?  
A. States, local communities, utilities, and developers
- What is the proper regulatory paradigm for integrating more renewables into generating portfolios?  
A. Indiana's
- Should the paradigm be concerned with least cost options or supporting more renewables?  
A. Yes

# State Wind Resources



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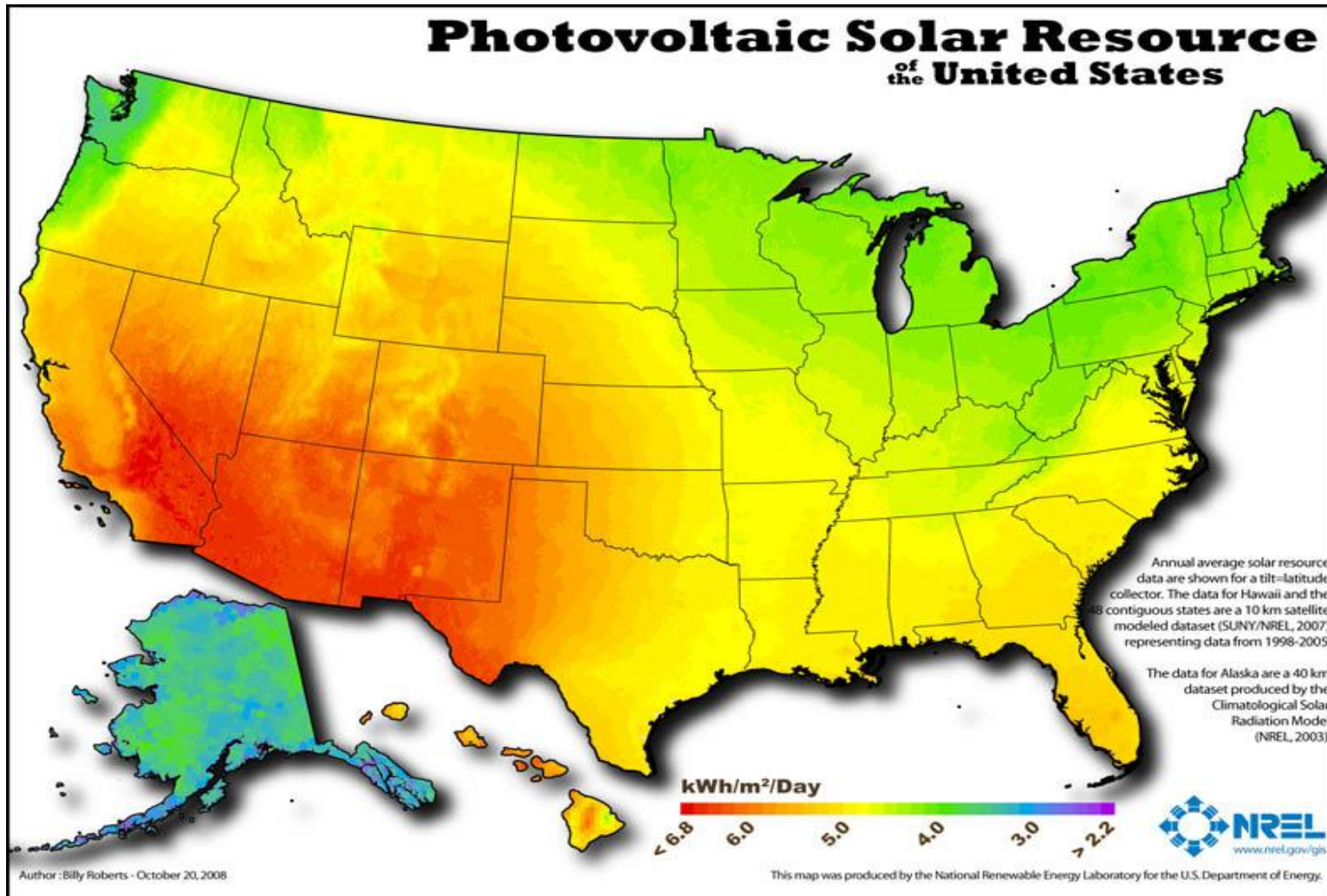


**NREL**  
NATIONAL RENEWABLE ENERGY LABORATORY

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# State Solar Resources



# Public Utility Law

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- The Commission is not a super board of directors empowered to substitute its judgment for that of the directors of the utility.
- A utility, though subject to the regulation of the State, has the right to manage its affairs to the fullest extent consistent with the interest of the public.

# Indiana Utility Law

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- While the utility may incur any amount of operating expenses it chooses, the Commission is invested with broad discretion to disallow for rate-making purposes any excessive or imprudent expenditures.



# Indiana Utility Law

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- An electric utility must make every reasonable effort to purchase power so as to provide electricity to its retail customers at the lowest fuel cost reasonably possible.

# Indiana Renewable Policy

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- Indiana needs a robust and diverse portfolio of energy generating capacity, including the use of renewable energy resources.
- The Commission shall take into account renewable energy alternatives when considering the construction of any new electric generation facility.
- Indiana should use incentives, not mandates, to maximize its wind resources.

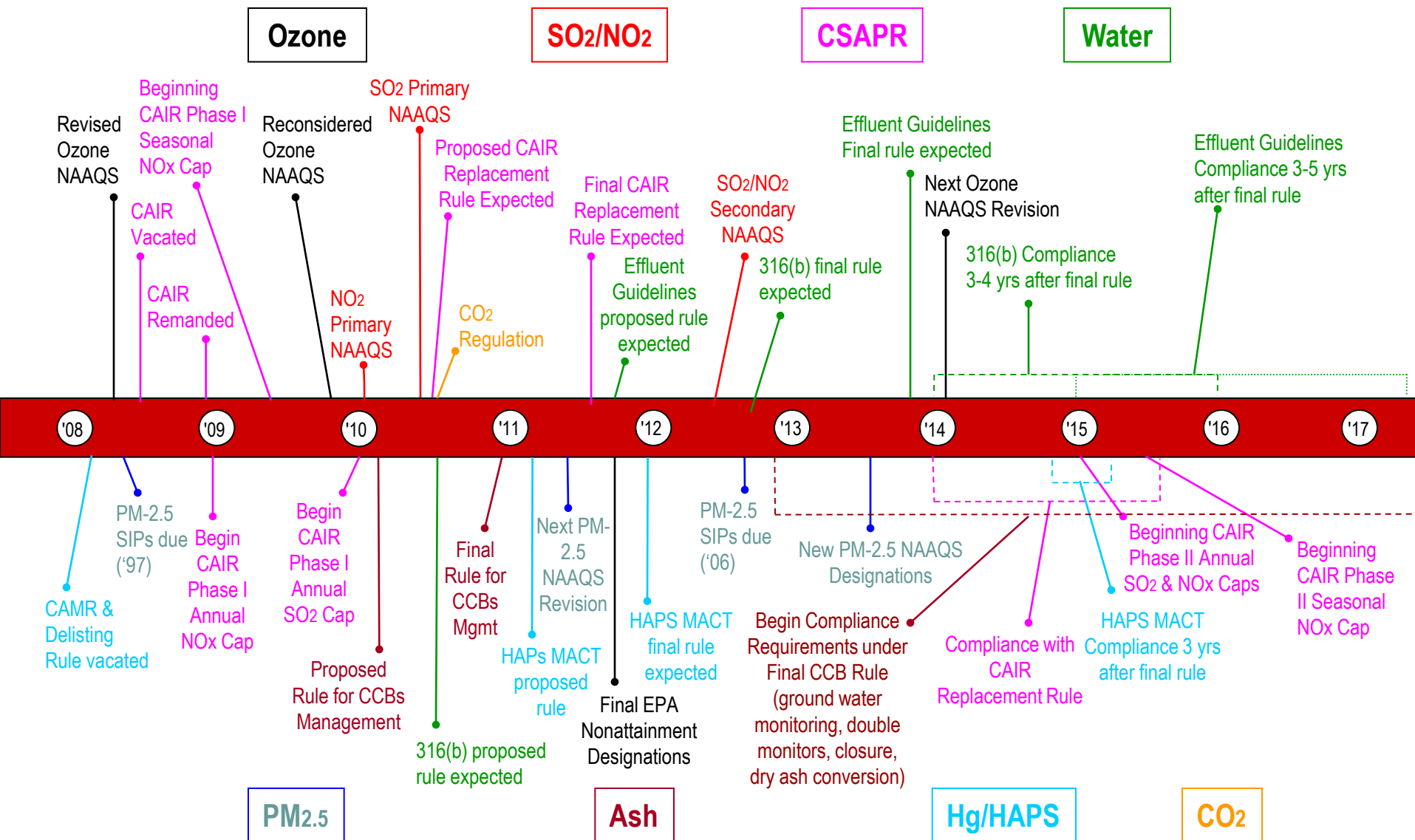
# Indiana Utility Commission Rules

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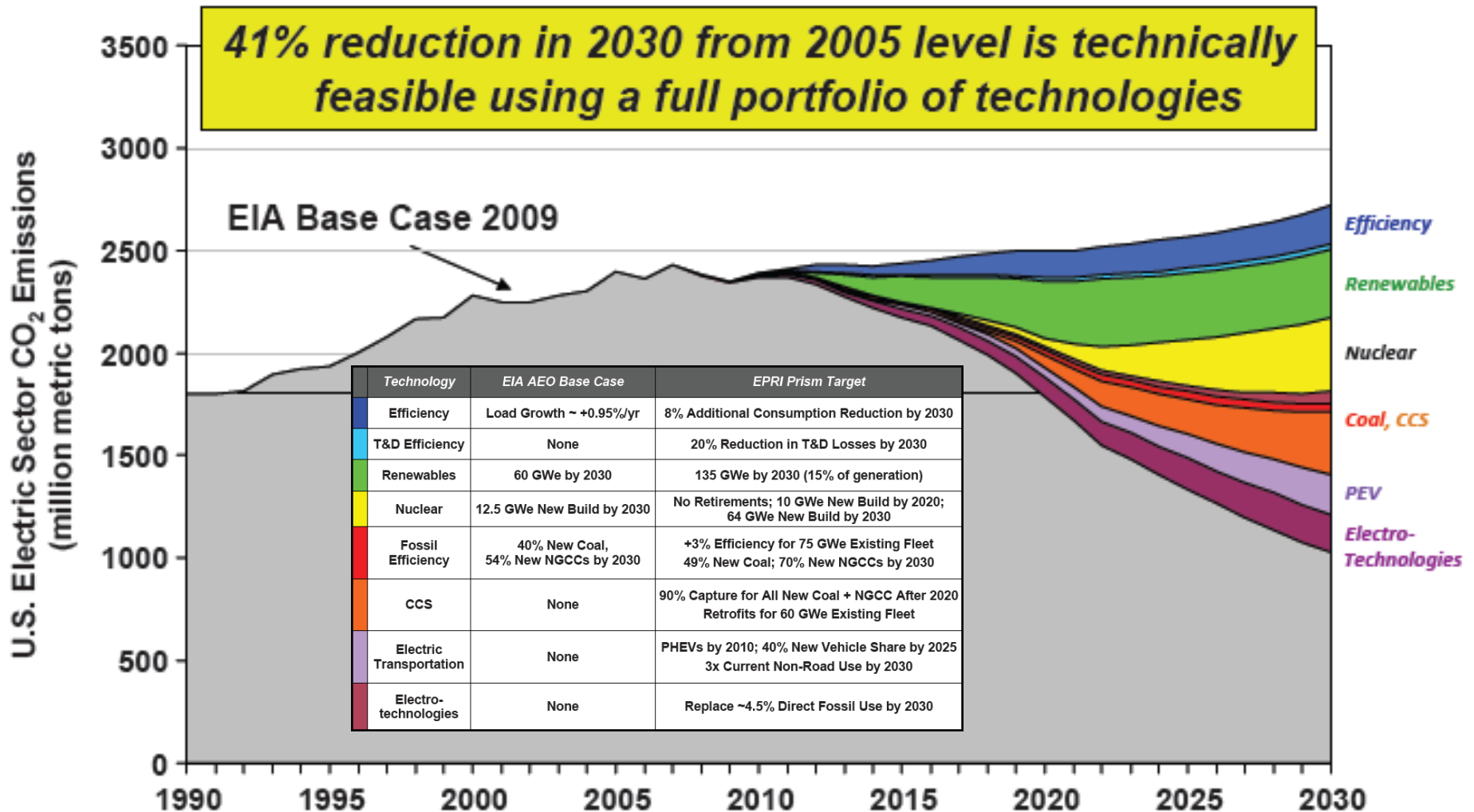


- A utility's Integrated Resource Plan (IRP) must consider the risks and uncertainties of potential environmental regulations and include a “workable strategy” for reacting to unexpected changes.

# Environmental Regulatory Timeline



# 2009 EPRI Prism





# *Thank You*



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